

# Despite road bumps, PayPal posts strong Q4 and looks to super app to bolster performance in 2022

Article

**By the numbers:** PayPal's total payment volume (TPV) increased 23% year over year (YoY) in Q4, in line with Q3's 24% YoY growth, [per](#) PayPal's earnings release. TPV growth slowed from [Q4 2020](#), when it grew 36% YoY.

The firm added 9.8 million accounts in Q4, 3.2 million of which stemmed from its **Paidy acquisition** in September. Transactions per active account—which PayPal uses as a metric for engagement—grew 11% YoY, in line with [Q3](#)'s performance.

**More on this:** On the company's [earnings call](#), chief financial officer John Rainey said PayPal started off the quarter strong, noting October's "pull forward in holiday shopping."

But he also outlined factors that contributed to a softer end to the quarter:

- Rainey blamed the omicron variant in December and inflation for weaker user spending. He said the lack of stimulus funds—which helped boost spending last year—also hurt PayPal's volume growth in Q4, especially for lower-income customers.
- The migration of **eBay's** business also hit PayPal's metrics: Last June, eBay [began](#) managing its own seller payments, which were previously handled by PayPal. CEO Dan Schulman said the migration happened faster than anticipated.

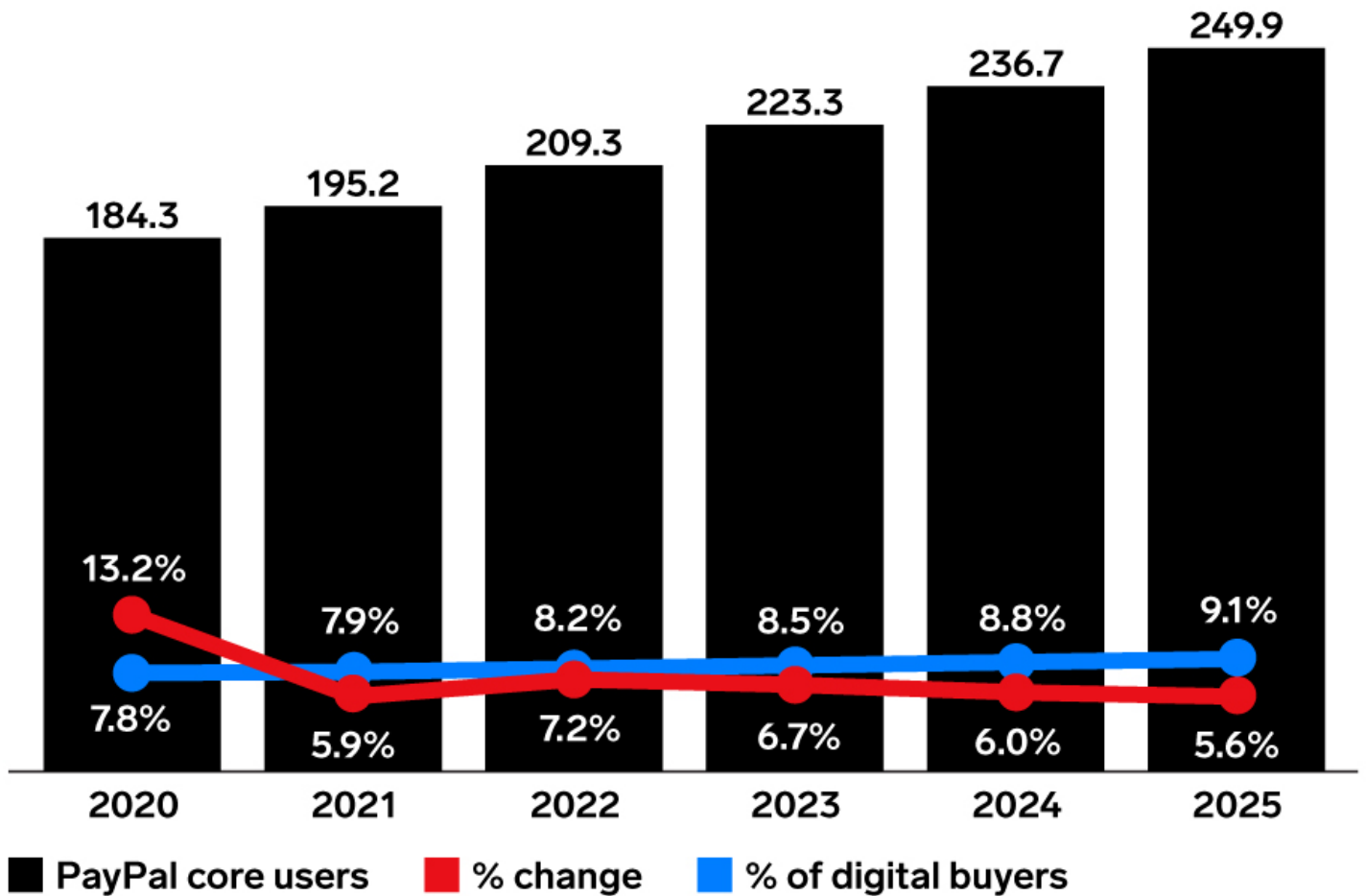
**Looking ahead:** In 2022, PayPal intends to focus on user engagement—and its super app will be key in this initiative.

- PayPal plans to convert medium-engaged users into highly-engaged users. Schulman said this approach has proved to be more effective than trying to retain low-engaged users, which is more expensive.
- In September, the firm [launched](#) its long-awaited super app. The redesigned PayPal app includes several new services like direct deposits, savings accounts (powered by **Synchrony**), a shopping hub featuring an [integration](#) with **Honey**, and a crowdsourced fundraising platform. So far, it has paid off: **Average revenues per active account double** when customers use the app versus just checkout, according to Schulman.
- New integrations into the super app can also encourage more spending among active users. In early January, PayPal [confirmed](#) that it was exploring a proprietary stablecoin. While the company has yet to make any decisions on it, a stablecoin could tie in well with its super app and let it tap into growing [demand](#) for digital currencies.

**Related content:** Check out the super app section of our [“Insider Intelligence’s Payments Trends to Watch in 2022”](#) report for our take on the super app phenomenon within the payment space.

## PayPal Core Users Worldwide, 2020-2025

millions, % change, % of digital buyers



Note: ages 14+; internet users who have accessed a PayPal Core account digitally and/or in-store and have completed a transaction at least once in the past month; includes P2P payments and purchases of goods and services

Source: eMarketer, Dec 2021

271790

[InsiderIntelligence.com](https://www.insiderintelligence.com)